Form (2)

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Sr. No. 7119-H
Dated 8.7.2014

Permit No. 746/2014 Date 8th July 2014

The Myanmar Investment Commission issues this Permit under section 13(b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. CHAN FUN KWONG

(b) Citizenship CHINESE

(c) Address 94 HONG LOK WEST ROAD, HONG LOK YUEN, TAI PO, NEW TERRITORIES, HONG KONG

(d) Name and Address of Principle Organization CHEUNG HING INTERNATIONAL LIMITED, 2/F, EVERWIN CENTRE, 72 HUNG TO ROAD, KWUN TONG, KOWLOON, HONG KONG

(e) Place of incorporation HONG KONG

(f) Type of business in which investment is to be made MANUFACTURING OF GARMENT ON CMP BASIS

(g) Place(s) at which investment is permitted PLOT NO. 204, 205, 212, 213 AND 214, BLOCK NO. 49, NGA MOE YEIK STREET, WATAYAR INDUSTRIAL ZONE, SHWE PYITHAR TOWNSHIP, YANGON REGION

(h) Amount of foreign capital US $ 21.576 MILLION

(i) Period for bringing in foreign capital WITHIN 3 YEARS AFTER ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 21.576 MILLION

(k) Construction period 2 YEARS

(l) Permitted duration of investment 50 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED INVESTMENT

(n) Name of Company incorporated in Myanmar

CHEUNG HING MYANMAR LIMITED

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၇၄၆/၂၀၁၄

၂၀၁၄ ခုနှစ်၊ ဇူလိုင်လ ၈ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ ၁၃ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် MR. CHAN FUN KWONG

(ခ) နိုင်ငံသား CHINESE

(ဂ) နေရပ်လိပ်စာ 94 HONG LOK WEST ROAD, HONG LOK YUEN, TAI PO, NEW TERRITORIES, HONG KONG

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ CHEUNG HING INTERNATIONAL LIMITED, 2/F, EVERWIN CENTRE, 72 HUNG TO ROAD, KWUN TONG, KOWLOON, HONG KONG

(င) ဖွဲ့စည်းရာအရပ် HONG KONG

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ခြင်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ်(၂၀၄၊ ၂၀၅၊ ၂၁၂၊ ၂၁၃နှင့် ၂၁၄)၊ မြေတိုင်းရပ်ကွက်အမှတ် (၇၉)၊ ငမိုးရိပ်လမ်း၊ ဝါးတစ်ရာစက်မှုဇုန်၊ ရွှေပြည်သာမြို့နယ်၊ ရန်ကုန်တိုင်း ဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၂၁.၅၇၆ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင်ခွင့်ပြုမိန့်ရရှိပြီး (၃)နှစ် အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၂၁.၅၇၆ သန်းနှင့် ညီမျှသောမြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၂ နှစ်

(ဌ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၅၀ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ရာခိုင်နှုန်းပြည့်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ပ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် ကုမ္ပဏီအမည် CHEUNG HING MYANMAR LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
Building No.(32), Nay Pyi Taw

Our ref : DICA-6(A)/FI-931/2014(၇၁၁၉-[illegible])
Date : 8th July 2014

Tel: 067- 406334, 406075
Fax: 95-67-406333

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garment on CMP Basis" under the name of "Cheung Hing Myanmar Limited"**

Reference: Cheung Hing Myanmar Limited Letter dated (12.12.2013)

1. The Myanmar Investment Commission, at its meeting (15/2014) held on (31-5-2014) had approved the proposal for investment in "Manufacturing of Garment on CMP Basis" under the name of "Cheung Hing Myanmar Limited" submitted by Cheung Hing International Ltd. (90%) and Mr. Chan Kwok Yiu (10%) from Hong Kong as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 50(fifty) years and extendable for another 10(ten) years two terms period commencing from the date of the issuance of MIC permit. The term of the Lease Agreement for land between Daw Than Than and Cheung Hing Myanmar Limited shall be 10(ten) years from the date of signing of this agreement and extendable for 10(ten) years period and another 10(ten) years extension period by mutual agreement both parties.

4. The annual rent for the land shall be US $ 204,000(United States Dollar two hundred and four thousand only) calculated at the rate of US $ 5 per square metre per year of the land measuring 40,743square metre (10.070acres).

5. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per Chapter XII, section 27(a), (h), (i) and (k) of Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;

(b) As per section 27(h), exemption or relief from custom duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

(d) As per section 27(k), exemption or relief from commercial tax on the goods produced for export.

6. Cheung Hing Myanmar Limited shall have to sign the Lease Agreement for land with Daw Than Than. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

7. Cheung Hing Myanmar Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

8. Cheung Hing Myanmar Limited shall use its best efforts for timely realization of works stated in the proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

9. Cheung Hing Myanmar Limited has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be allowed more than twice except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63 of the Foreign Investment Rules, if the Cheung Hing Myanmar Limited cannot construct completely in time the construction period or extension period, the Commission will have to terminate the permit issued to the investor and there is no refund for the expenses of the project.

12. The commercial date of operation shall be reported to the Commission.

13. Cheung Hing Myanmar Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI, section 24 and section 25 of Foreign Investment Law and Cheung Hing Myanmar Limited has to follow the existing Labour Laws for the recruitment of staff and labour in accordance with Chapter XIII, Rule 84 of the Foreign Investment Rules.

15. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rule 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency.

16. Whenever Cheung Hing Myanmar Limited brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. Cheung Hing Myanmar Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of a citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. Cheung Hing Myanmar Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Cheung Hing Myanmar Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted and to perform activities in accordance with this EMP and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

20. Cheung Hing Myanmar Limited shall contribute 1% of the annual net profit for Corporate Social Responsibility (CSR) as stated in the proposal.

21. After getting permit from Myanmar Investment Commission, Cheung Hing Myanmar Limited shall have to be registered at the Directorate of Industrial Supervision and Inspection.

22. Cheung Hing Myanmar Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to undertake such as water storage tank, fire extinguishers and provide training to use the fire fighting equipment and also to appoint the fire safety officer.

23. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall only be made out of the foreign exchange earnings (CMP Charges) of Cheung Hing Myanmar Limited.

24. Cheung Hing Myanmar Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Zay Yar Aung)
Chairman

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance
5. Ministry of Commerce
6. Ministry of Industry
7. Ministry of Foreign Affairs
8. Ministry of Home Affairs
9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Electric Power
12. Ministry of Environmental Conservation and Forestry
13. Chairman, CMP Enterprises Supervision Committee
14. Director General, Directorate of Investment and Company Administration
15. Director General, Directorate of Industrial Supervision and Inspection
16. Director General , Department of Human Settlements & Housing Development
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Director General, Directorate of Trade
20. Director General, Immigration and National Registration Department
21. Director General, Directorate of Labour
22. Director General, Department of Environmental Conservation
23. Director General, Fire Services Department
24. Managing Director, Myanma Foreign Trade Bank
25. Managing Director, Myanma Investment and Commercial Bank
26. Managing Director, Myanma Insurance
27. Managing Director, Myanma Electric Power Enterprise
28. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)